

May 30, 2002

**CHANGES TO FRAMEWORK ISSUES
RECOMMENDED BY THE PUBLIC AT WORKSHOP NO. 4**

At Workshop No. 4, the Water Advisory Committee (WAC), after considering all prior public input, presented its draft of Framework Issues (dated May 6, 2002) to be considered in negotiating the new water supply agreement. The WAC noted that the issues listed might be revised as new information is discovered and negotiations among the parties proceed. This document shows changes to that list that were recommended at Workshop No. 4 and who suggested same. Note: As before, item designations appearing in parentheses refer to the "List of 56" and changes to same recommended by public at Workshop No. 3. *

I. Overarching Provision Regarding Planning and Consideration of Environmental Impacts

- A Insure ample r input from the public and periodically quantify the best possible water resource mix which optimizes provision of a reliable and economical supply of high quality water and related services while promoting a healthy environment. Quantification shall include consideration of all available supplies including conservation, recycling, ground water and surface water; and, take into account levels of reliability (including the reliability of Eel River diversions), watershed needs and environmental impacts. Maximizing opportunities that will result in minimizing or avoiding environmental mitigation and restoration costs shall be a high priority. The WAC shall determine how frequently this planning effort or elements of same will be undertaken. (Replaces Items 1, 9, 10, 14, 18, 32, 43, 46, EIa and WSb.) (Keller)

II. Conservation

- B Make conservation a high priority and provide incentives for aggressive water conservation efforts which are tailored to local conditions and meet or go beyond the BMPs. (Replaces Items 2, Ca and Cb)
- C Create a standing committee within the WAC to promote innovation and provide planning guidance, oversight and coordination of conservation programs and initiatives. (Replaces Items 3, 5, and 6)
- D Include conservation requirements contained in the MOU. (Same as Item 4)
- E Create a separate charge and fund for conservation programs. (Same as Item 7)
- E1 Include a schedule of conservation targets in the agreement. (Keller)
- E2 Include language that would encourage and insure provision of funds for innovative bew water conservation strategies and a mechanism for funding successful programs including follow-up analysis of effectiveness. (Keller)

(Regards Item 8, WAC believes conservation targets should not be part of agreement but be flexible in response to evolving and accelerated conservation efforts.)

III. Environmental Impacts and Mitigation

See Item A above.

IV. Watershed Management

- F Include a commitment by the Sonoma County Water Agency (SCWA) to: (a) pursue a management/funding mechanism with responsible agencies that will result in implementation of a regional watershed restoration/maintenance plan that is supported by funds from all benefited parties who should be partners in the restoration/maintenance effort (agriculture, municipalities that extract and/or discharge water, watershed urban development, forest harvesting, gravel mining, recreation, commercial/sport fishing, Mendocino County interests, etc.); and (b) aggressively seek state and federal funds.

Provide for input to this process by the WAC and include a mechanism and commitment for water contractor's to pay their fair share of restoration/maintenance costs.

(Replaces Item 11, 12, 13, and WMa, WMb, WMc and WMe.)

(The WAC believes that Item WMd is addressed by the existence of the WAC and the opportunity it affords to anyone wishing to participate in and be heard at WAC meetings.)

V. Water Supply

- G In apportioning water during a shortage, devise and include a mechanism that encourages water contractors to implement: (a) conservation, (b) recycled water projects that reduce potable demand on the aqueduct, and (c) standby local supply projects that reduce demand during the peak periods. Water contractors should not be penalized for taking such steps, and efficiencies achieved should not count against water contractors, and hence their customers, when allocating water during shortages. ** (This is a new Item added by the WAC.) (Keller)
- H The current agreement provides penalties that discourage water contractors who have local supplies from operating such supplies in a manner that increases peak demand on the aqueduct system. Include safeguards that such provisions do not penalize water contractors who develop new or rehabilitate currently unused local supply capacity. (This is a new Item added by the WAC.)
- I Provide for the conduct of ground water studies approved by the WAC and provide a repayment mechanism based on an equitable allocation of costs to the benefited parties. (Replaces 33)
- J Incorporate provisions of the MOU that recognizes and promotes development of local standby supply projects that reduce demand during peak periods. (Replaces Item 34)
- K Provide for appropriate monitoring and periodic reports on riverbed elevations at cross-sections in the vicinity of the collectors and tracking of elevations over time. (Replaces 44.)
- L Provide for periodic reports on caisson capacity under critical seasonal and hydrologic conditions. (Same as 45)
- M Provide for inventories of Russian River water uses and updating of models by SCWA. (Replaces 15 and 17).

(Regarding Item 16, cooperating with State in updating its inventory is supported by WAC but is not necessary to include in agreement. Regarding WSa, the WAC believes conserved water should be considered as part of the overall water supply mix and not allocated to one specific purpose. Item WSb is covered by "A".)

VI. Recycled Water

- N Include a separate charge and fund to help pay for cost-effective recycled water projects that reduce demand for potable water from the SCWA aqueduct system and which are approved by the WAC. (Replaces Item 19)
- O Make implementation of cost-effective recycled water projects that reduce potable water demand a high priority. (Replaces Item 20)
- P Include recycled water requirements contained in the MOU. (Same as Item 21)
- Q Insure that in implementing recycled water projects, that agencies responsible for meeting waste discharge requirements be allocated and pay their full share of such projects. Many such agencies are facing zero discharge requirements now or in the future and therefore the cost of recycling should often be largely allocated to wastewater disposal. (This is a new Item added by the WAC.)
- R Provide a mechanism for WAC members to help fund recycled water projects implemented by other WAC members which they determine are beneficial to them. (Replaces Item RWa.)

VII. Agreement Governance

- S Reorganize WAC into a two-tier committee - technical and policy. The technical committee to meet monthly as needed and be comprised of an appointed staff representative from each local agency signatory to the agreement. The policy committee to meet every other month, including two semi-annual meetings with Directors of the SCWA and to be comprised of an elected official appointed by the elected body of each agency signatory to the agreement. Voting to remain the same, i.e. weighted in proportion to average day peak month entitlement and require a clear majority of WAC members. (Replaces 23) (Torliatt)
- T Include language in the agreement regarding provision of information on a timely basis. (Same as 54)
- U Review adequacy of current reporting requirements and consider appropriate amendments, including provisions for conducting outside management audits. (Replaces 55)
- V Memorialize a recent practice of SCWA - namely development of a website and posting of information. (Same as 56)
- W Consider alternative voting requirements to: (a) amend the agreement, and (b) for other WAC authorities. (This is a new Item added by the WAC.)

(Regarding Item 22, WAC believes that relatively recent practice of allowing anyone attending a WAC meeting the opportunity to be heard is a broader and more effective outreach effort and should be continued. The WAC believes Item AGa is not an appropriate issue for this negotiation which has been entered into by all the parties after stating they wish to mutually negotiate a new water supply agreement. It is rather a policy issue for individual cities and districts to address outside of the current negotiation process. Regarding Item AGb, the two-tier approach noted above is clearly favored by the WAC.)

III. Financing and Cost Allocations

- X Provide for incremental issuance of debt to finance major elements of the transmissions system when, as and if they become needed using the same cost allocation approach as contained in the existing agreement. (Replaces Item 24)

- Y Provide for issuance of debt as needed to help finance, conservation efficiency programs, locally sponsored recycled water, and ground water rehabilitation/development projects determined to be cost-effective by the WAC. To be repaid by the benefiting party over time. (Replaces Item 25 and incorporates Item 36) (Orrett, Keller, and Rosenblum)
- Y1 In considering recycling projects, all impacts should be taken into account. Generally conservation projects are more cost effective and should be given priority. (Garvey)
- Z Currently one water contractor can avoid storage charges by maintaining sufficient local storage paid for by said contractor. Make this option available to all water contractors regarding proposed aqueduct system storage additions. (Replaces Item 26 and 50.)
- AA Currently one water contractor can choose to “cash-out” of projects, i.e. provide its share of future project costs upfront rather than paying a per acre-ft charge over time. Make this option available to all water contractors. (New item added by WAC.)
- BB Incorporate Local Supply/Recycled Water Projects and Tier 2 (L/R/T2) funding mechanism recently worked out by WAC. Provide for periodic review and adjustment of same by WAC. (Replaces Item 27 and incorporates Item 35.)

(Item 28 not supported. WAC believes research should be supported by separate funds and agreements outside of master agreement.)

IX. General Plan Relationships

General: Need participation/coordination/input of WAC in County General Plan process and SCWA Water Policy process. (Adelman)

- CC Provide language that would address the need for accurate and uniformly applied forecast techniques for determining water required to meet general plans and provide a mechanism that does not require amendment of the agreement to adjust a forecast if found to be in error. (Same as 29)
- DD Reword and strengthen provision regarding physical restriction of deliveries to assure that entitlements are protected. (Same as 31)

(Item 30 believed unnecessary to include, as it is already a requirement of General Plans and will therefore be included in the forecast calculations.)

X. Ground Water

See Items I and J under Water Supply; and Items Y and BB under Financing and Cost Allocations.

(Item 37 not supported, as WAC believes ground water conservation programs should be promoted by agencies having significant ground water resources. Items 38, GWa and GWb supported but not appropriate for agreement as not in purview of SCWA. WAC notes that municipal wells are monitored now.)

XI. Water Quality

General: Need stronger statement on water quality. (Keller, Adleman)

- EE Include language that states that maintenance of the Russian River high quality water supply throughout its watershed is the highest priority and acknowledges that Russian River watershed activities affect both the quality and amount of water provided via the SCWA transmission and distribution system. (Replaces Item 39 and 40.) (Keller)
- EE1 Promote preservation/protection of Russian River watershed with other agencies. (Rosenblum)
- FF Provide for appropriate monitoring and periodic reports on water quality including emerging new constituents of concern. (Replaces Item 42.)
- WQa Provide for implementation of aggressive source control of septic systems, farm chemical and soil amendment use, and pharmaceuticals and endocrine disrupters. (Keller)

(Item 41 supported but not believed appropriate for agreement as responsibility of regulatory agencies. Item WQa supported but is a policy matter for regulatory agencies, counties, cities and districts having waste disposal responsibility and is not appropriate for agreement.)

XII. Gravel Mining

General: Too weak. Need to shift burden of proof to gravel miners and include payment for lost storage. (Keller)

See Items K and L under Water Supply.

(Items GMa, GMb and GMc believed inappropriate for agreement. Monitoring is already being done by Sonoma County as part of the Aggregate Resource Management Plan. Other items noted are also responsibility of County of Sonoma.)

XIII. Transmission Project Design and Scheduling

- GG Include a more specific schedule (name and timeline) for planned construction of project elements in the new agreement. (Same as 47)
- HH Add capacity triggers for planned parallel aqueduct segments to assure segments are built only if needed but ahead of such need. (Same as 48)
- II Provide for periodic reporting on capacity trends to assure shortfalls in capacity do not occur. (Same as 49)

(Regards Item 50, WAC believes peaking limitations in existing agreement are sufficient to define local storage requirements.)

XIV. Basic Agreement Concepts

- JJ Water contractors desiring to amend the agreement and willing to fund new improvement(s) should be able to proceed without the consent of all parties provided they pay all costs involved due to such amendment, such amendment does not interfere with delivery of entitlements to non-consenting party(s), and provision is made to include non-consenting party(s) at a later date provided sufficient capacity is available and, provided further that the previously non-consenting party(s) adequately compensate parties who paid for the improvement(s). (Replaces 51)
- JJ1 Regarding amendments to the new agreement, require signature of all parties. (Keller, Torliatt)
- KK Continue to include provision that WAC must approve any purchase of Potter Valley Project. (Replaces 52)

- LL Include consideration of Endangered Species Act impacts in the new agreement. If too much uncertainty exists at the time negotiations come to a close, consider language that will provide a procedure or mechanism for dealing with this issue in the future. (Same as 53)

XV. Better Communications

See Items T, U, and V under Agreement Governance.

* The “List of 56” issues recommended by the consultant based on the public outreach effort are available at www.scwa.ca.gov, (click “Water Advisory Committee”, click “New Agreement”, click “Public Outreach” and scroll down to 56 Possible Items to Consider in Drafting New Agreement Recommended by Consultant. Changes to the “List of 56” recommended by the public at Workshop 3 are found at the same site. Scroll down a little further and see Attachment C: Changes/Additions to List of 56 Items Recommended by Public Participants. If you do not have Internet access, call John Olaf Nelson (Ph (707) 778-8620 for a copy of these documents.

** An example of the WAC’s concern is demand hardening. This term is used to describe the fact that it is more difficult to reduce demand after long-term conservation programs are implemented. The reason for this is two-fold: first demand before long-term conservation programs are implemented is more susceptible to reduction as it includes many inefficient uses of water; second, hardware efficiency options remaining after long-term conservation is implemented are more expensive to implement as conservation programs target the least-cost opportunities first. Demand hardening differences between contractors, or stating it another way, differences in conservation efforts implemented by contractors, needs to be taken into account when allocating water during shortages.